

## **AMENDMENT TO MOTION 12.3 – ASPIRE**

**Proposer: Cllr Abdul Mannan**

**Seconder: Cllr Kabir Ahmed**

**ADDITIONS BOLD**

**DELETIONS STRUCKTHROUGH**

### **12.3 Tower Hamlets Community Housing**

#### **This Council notes:**

- THCH was founded by stock transfers from LBTH and for many years delivered high-quality housing management as well as the regeneration of estates and community development;
- THCH was recently downgraded to a G3 and V3-rating by the Regulator for Social Housing (RSH) for both governance and financial viability;
- It has become apparent that the RSH might be encouraging THCH to be taken over by another housing association;
- The RSH has a very poor track record in enforcing mergers and doesn't proactively take any account of residents' views.
- **That the Mayor has agreed to host a session with the Housing Ombudsman on RSL performance on how to address their issues.**
- **That this Mayor has facilitated dialogue between THCH and their residents, which should lead to an addressing of these issues and concerns raised.**

#### **This Council believes:**

- THCH tenants and leaseholders deserve a much better service than they have been getting from their landlord for several years;
- LBTH has an ongoing obligation to residents living on those estates transferred to ensure the promises made by are delivered consistently;
- Enforced mergers of local stock transfer housing associations have sometimes resulted in residents receiving an even worse service from the social landlord they join;
- The views of tenants and leaseholders in the future of their housing association should be paramount in any decision by the Board of THCH and the RSH.

#### **This Council resolves:**

- ~~To call on the Mayor to make representations to the Regulator for Social Housing calling for the views of residents of THCH to be formally sought prior to a decision on any merger;~~
- To support the Mayor's commitment to meet with the Housing Ombudsman in October and to insist that all Councillors attend to prevent the failings of the previous seven years from repeating themselves.
- To empower residents and TRAs in the decision making and consultative processes of RSL management, to ensure that tenants rights are strengthened and reflected more firmly in the Council's engagement with RSLs.
- To call on the Mayor to instruct council officers to urgently undertake a feasibility on the financial and practical implications of requesting a return of THCH stock to LBTH.

### **Place Briefing**

Upon being downgraded, and with a view of shoring up financial viability for its stock, THCH were advised by the Regulator of Social Housing to merge with a larger landlord – potentially one with a large volume of stock and large balance sheet.

Currently Poplar HARCA and THCH are conducting surveys on their websites seeking resident's views on the proposed merger as well as an FAQ section to help alleviate residents' concerns.

Additionally, the council has prepared a statement for publishing which notifies residents of the council's stance on the potential merger, and that we firmly encourage affected residents to participate in the survey/s.

In relation to stock transfer, officers and the Mayor have sought external legal counsel on the documents and have established the following:

- There are no provisions in the transfer documentation that require THCH to offer the property back to LBTH, nor do we have first right of refusal.
- The council cannot prevent the merger taking place as during the stock transfer, the council relinquished those rights.
- In terms of the stock condition and debt, this depends on the particular route that is taken. As a general matter of principle (only), the 'new' provider takes on the debt subject to financial liabilities etc.
- There are no statutory consultation requirements. However, the consent of secured creditors under the general law would probably be necessary, and the Regulator has also indicated that it will, in practice, consult interested parties including tenants and local authorities.

Notwithstanding the above, the council wants to ensure promises made to improve stock condition and governance by the new landlord are upheld. To this end, officers are working with the Mayor to put in place a range of steps to ensure residents are empowered to hold

their landlords to account when things go wrong, and when issues remain unresolved, that they have a direct line to bodies with regulatory and enforcement powers.

In relation to THCH in particular the council will continue to inform and update residents of the appropriate channels such as the Housing Ombudsman service and Regulator of Social Housing should they face problems post-merger. Nevertheless, the council will endeavour to consistently monitor the situation ensuring residents are not left worse off and all landlords operating owning stock in the borough uphold the highest level of transparency and governance at all times.